

AGRICULTURE

STATE AGRICULTURE DEVELOPMENT COMMITTEE

Soil and Water Conservation Project Cost-Sharing

Proposed Amendments: N.J.A.C. 2:76-5.4

Authorized By: State Agriculture Development Committee, Gregory Romano, Executive
Director

Authority: N.J.S.A. 4:1C-5f

Calendar Reference: See Summary below for explanation of exception to calendar
requirement

Proposal Number: PRN 2004-337

Submit comments by November 6, 2004 to:

Gregory Romano, Executive Director

State Agriculture Development Committee

P.O. Box 330

Trenton, NJ 08625-0330

The agency proposal follows:

Summary

The State Agriculture Development Committee (SADC or Committee) proposes to amend its rules governing cost-share grants for soil and water conservation projects. Such grants are available to landowners or farm operators whose land is enrolled in any of the SADC's farmland preservation programs. The purpose of the amendments is to provide greater financial assistance to farmers for soil and water conservation projects, as the complexity and cost of such projects has been increasing.

Current N.J.A.C. 2:76-5.4 contains a formula that establishes the maximum grant the Committee can provide to applicants for individual soil and water conservation projects. Applicants are then eligible to receive up to 50 percent of the project cost, with an upper limit set by the formula, if they provide at least 50 percent of the project cost without any other financial assistance.

The SADC is proposing to increase the maximum amount of funds available to applicants under the formula while decreasing the percentage of matching funds that the applicants must provide for a project.

For projects on farms that are less than 50 acres, the maximum amount of State cost-share funds an applicant may receive would increase from \$400 per acre under the current rule to \$600 per acre under the proposed amendments. For farms that are between 50 and 100 acres, the maximum amount of cost-share funds would increase from a range of \$20,000 to \$30,000 under the current rule to a range of \$30,000 to \$40,000 under the proposed amendments. Under the current rule, farms that are greater than 100 acres but less than 516.7 acres can receive a maximum grant between \$25,000 and \$50,000. Under the proposed amendments, farms that are greater 100 acres but less than 450 acres could receive a maximum amount of cost-share funds between \$40,000 and \$75,000. Under the current rule, farms that are greater than 516.7 acres can receive a maximum cost-share grant of \$50,000. Under the proposed amendment, farms that are greater than 450 acres will be eligible for a maximum cost-share grant of \$75,000.

N.J.A.C. 2:76-5.4 (a) and (b) address the length of time that an applicant is eligible for soil and water grants when the applicant's farm is enrolled in the farmland preservation program, municipally-approved program, or permanent easement purchase programs. Those subsections also address eligibility upon expiration of that original time period. N.J.A.C. 2:76-5.4(c), which pertains to soil and water cost share grants when the applicant is a governmental body or non-profit organization, or when the development easement has been acquired by a governmental body or non-profit organization prior to enrolling it in the State's farmland preservation program, does not address the eligibility period. The SADC is proposing to amend N.J.A.C. 2:76-5.4(c) to clarify that the total amount of cost share funds will remain in effect for eight years from the date the easement is conveyed and that for subsequent eight-year periods, the amount of eligible cost share funds shall be based upon the formula in effect at the end of the previous eight year period.

The SADC is also proposing at N.J.A.C. 2:76-5.7 to increase its cost share grant from 50 percent to 75 percent of the project cost, subject to the limits as described above. This will result in a decrease in the required contribution by the applicant from 50 percent of the project cost to 25 percent of the project cost.

A 60-day comment period is provided on this notice of proposal and, therefore, pursuant to N.J.A.C. 1:30-3.3(a)5, the proposal is not subject to the provisions of N.J.A.C. 1:30-3.1 and 3.2 governing rulemaking calendars.

Social Impact

The proposed amendments to N.J.A.C. 2:76-5.4 are expected to have a positive social impact. By increasing the grant amount for soil and water conservation projects, farmers may be more apt to undertake such projects. Soil and water conservation projects benefit farmland and the environment by ensuring that farmland remains productive and by enhancing and conserving natural resources. These benefits enhance the quality of life in New Jersey and ensure the continuation of New Jersey's agricultural heritage. The increase in cost-share grants will also provide incentive for farms that are not currently preserved to enter into one of the SADC's preservation programs.

Economic Impact

The proposal will economically benefit owners and operators of farmland that is enrolled in any of the SADC's farmland preservation programs, as they will be able to receive a greater amount of money from the State for soil and water conservation projects. Funding for soil and water conservation grants comes from the State's general fund. The Legislature increased its allocation to the SADC for soil and water conservation grants from \$361,000 in fiscal year 2004 to \$1,180,205 in fiscal year 2005.

Federal Standards Statement

A Federal standards analysis is not required because the subject matter of the proposed amendments is not subject to any Federal requirements or standards.

Jobs Impact

The proposed amendments will neither create, nor cause a loss of, any jobs.

Agriculture Industry Impact

The proposed amendments to N.J.A.C 2:76-5.4 will have a positive impact on the agriculture industry in New Jersey. The increase in cost-share grants will continue to enhance the agriculture industry in the State, as owners or operators of preserved farms will be eligible for greater financial assistance for soil and water conservation projects and hence, more inclined to undertake such projects. The projects will result in greater protection of water and soil resources and will help ensure the viability of New Jersey's agriculture industry.

Regulatory Flexibility Statement

The majority of farms that are enrolled in the SADC's farmland preservation programs are owned by small businesses, as defined under the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The proposed amendments do not impose any additional requirements on farms, as the amendments merely increase the grant amounts available to farmers, and do not affect the application procedure. Any costs associated with receiving grants are voluntary and applicants will know their financial responsibilities (that is, the portion of the project for which the applicant will be responsible) when they apply for a grant. The proposed amendments will have no adverse economic impact on farms that qualify as small businesses.

Smart Growth Impact

The proposed amendments would achieve smart growth and implement the State Development and Redevelopment Plan. The State Development and Redevelopment

Plan designates a Rural Planning Area (Planning Area 4), which comprises much of the countryside of New Jersey where large masses of cultivated or open land surround rural regional, town, village and hamlet centers. The State Plan's intentions in the Rural Planning Area include maintaining large contiguous areas of farmland and promoting a viable agricultural industry. The proposed amendments will provide owners and operators of preserved farms with greater financial assistance to implement soil and water conservation projects on their land. Such projects involve the conservation and improvement of soil, water or related natural resources, enhancing the productivity of farmland and helping to ensure the viability of New Jersey's agriculture industry.

Full text of the proposal follows (additions indicated **thus**; deletions indicated [thus]):

2:76-5.4 Eligibility for State soil and water conservation cost-share funds

(a) Upon certification of a farmland preservation program or a municipally approved program, the Committee shall determine the total eligible State soil and water cost-share funds based on common deed ownership in accordance with the following formula:

Acres	Eligibility for State cost-share funds
From 0 to 50 acres	= [\$400/acre] <u>\$600/acre</u>
From greater than 50 to 100 acres	= [\$20,000] <u>\$30,000</u> + [\$100/acre] <u>\$200/acre</u> above 50 acres
From greater than 100 to [516.7 acres] <u>450 acres</u>	= [\$25,000] <u>\$40,000</u> + [\$60/acre] <u>\$100/acre</u> above 100 acres
Greater than [516.7 acres] <u>450 acres</u>	= [\$50,000] <u>\$75,000</u>

1. The total eligible amount of cost-share funds as determined above shall remain in effect for the duration of the initial farmland preservation program or municipally approved program.

2. (No change).

(b) On land that has had a development easement conveyed from it pursuant to N.J.S.A 4:1C-24a, the Committee shall determine the total eligible State soil and water cost-share funds based on common deed ownership in accordance with the following formula:

Acres	Eligibility for State cost-share funds
From 0 to 50 acres	= [\$400/acre] <u>\$600/acre</u>
From greater than 50 to 100 acres	= [\$20,000] <u>\$30,000</u> + [\$100/acre] <u>\$200/acre</u> above 50 acres
From greater than 100 to [516.7 acres] <u>450 acres</u>	= [\$25,000] <u>\$40,000</u> + [\$60.00/acre] <u>\$100/acre</u> above 100 acres
Greater than [516.7 acres] <u>450 acres</u>	= [\$50,000] <u>\$75,000</u>

1. The total eligible amount of cost-share funds as determined above shall remain in effect for a period of eight years from the date the development easement was conveyed to the board.

2. (No change.)

(c) Notwithstanding (a) and (b) above, if a governmental body or a not-for-profit corporation is the record owner of land enrolled in a farmland preservation program, municipally approved program or is subject to a development easement conveyed pursuant to the provisions of the Agriculture Retention and Development Act, the owner is eligible for State soil and water project cost-share funds on the basis of the acreage contained in each farm in accordance with the following formula:

Acres	Eligibility for State cost-share funds
From 0 to 50 acres	= [\$400/acre] <u>\$600/acre</u>
From greater than 50 to 100 acres	= [\$20,000] <u>\$30,000</u> + [\$100/acre] <u>\$200/acre</u> above 50 acres
From greater than 100 to [516.7 acres] <u>450 acres</u>	= [\$25,000] <u>\$40,000</u> + [\$60/acre] <u>\$100/acre</u> above 100 acres
Greater than [516.7 acres] <u>450 acres</u>	= [\$50,000] <u>\$75,000</u>

1. The total eligible amount of cost-share funds as determined above shall remain in effect for a period of eight years from the date the easement is conveyed.

2. At the end of the eight-year period, the eligibility for cost-share funds for subsequent eight-year periods shall be based upon the formula set forth in this subchapter that is in effect at the end of the eight-year period.

(d) (No change.)

2:76-5.7 Approval for project funding

(a) The Committee may provide a cost-share grant of up to 75 percent of the actual cost for a project approved by the State Soil Conservation Committee pursuant to N.J.A.C. 2:90-2.

Recodify existing (a)-(d) as **(b)-(e)** (no changes in text.)

Gregory Romano
Executive Director, SADC

Date